



DOUGLAS A. DUCEY  
GOVERNOR

STATE OF ARIZONA  
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

April 13, 2018

The Honorable Michele Reagan  
Secretary of State  
1700 W. Washington, 7<sup>th</sup> Floor  
Phoenix, AZ 85007

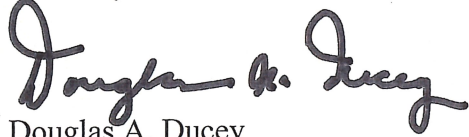
Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2<sup>nd</sup> Regular Session, which I signed on April 12, 2018:

HB 2081 insurance adjusters; application of laws (Livingston)  
HB 2083 insurance contracts; construction (Livingston)  
HB 2086 schools; diabetes management policies; pharmacists (Carter)  
HB 2188 prisoners; special services fund; uses (Boyer)  
HB 2192 military family relief fund; extension (Carter)  
HB 2211 bankruptcy exemption; personal property (Thorpe)  
HB 2228 AHCCCS; annual waiver; applicability (Cook)  
HB 2246 jail; prohibited items; drugs (Farnsworth, E.)  
HB 2314 misdemeanor sentence; authorized disposition (Farnsworth, E.)  
HB 2315 intensive probation; employment wages; monitoring (Farnsworth, E.)  
HB 2321 auricular acupuncturists; fingerprinting (Carter)  
HB 2328 concealed weapons permit; electronic reports (Farnsworth, E.)  
HB 2601 securities; crowdfunding; virtual coin offerings (Weninger)  
HB 2602 running nodes; blockchain; regulation prohibition (Weninger)  
SB 1034 committee of reference; standing committee (Kavanagh)  
SB 1054 ASRS; nonparticipating employers (Fann)  
SB 1090 Beirut barracks bombing remembrance day (Borrelli)  
SB 1100 workers' compensation; claim settlement (Fann)  
SB 1113 zoning violations; notice; service (Fann)  
SB 1150 application fees; financial institutions department (Farnsworth, D.)

SB 1185 appropriations; named claimants (Kavanagh)  
SB 1260 law enforcement officers; interviews; rights (Borrelli)  
SB 1379 flood protection districts; divisions; electors (Pratt)  
SB 1385 tax appeals; administrative hearings; confidentiality (Farnsworth, D.)  
SB 1394 DHS; reporting; abortions (Barto)  
SB 1431 memorial; veterans; suicide (Barto)  
SB 1442 personal finance (Yee)  
SB 1447 juror questionnaire; investigations (Griffin)  
SB 1451 patient referral inducements; prohibited compensation (Barto)  
SB 1455 civil traffic violations; procedures; penalties (Petersen)  
SB 1493 environmental quality; dredge, fill permits (Griffin)  
SB 1503 delinquent restitution; procedure (Smith)

Sincerely,

A handwritten signature in black ink, reading "Douglas A. Ducey". The signature is fluid and cursive, with the first name "Douglas" being the most prominent.

Douglas A. Ducey  
Governor  
State of Arizona

cc: Senate Secretary  
Chief Clerk of the House of Representatives  
Arizona News Service

House Engrossed Senate Bill  
**FILED**

**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
Senate  
Fifty-third Legislature  
Second Regular Session  
2018

**CHAPTER 212**  
**SENATE BILL 1100**

AN ACT

AMENDING SECTION 23-941.01, ARIZONA REVISED STATUTES; AMENDING TITLE 23, CHAPTER 6, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 23-941.03; RELATING TO WORKERS' COMPENSATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 23-941.01, Arizona Revised Statutes, is amended  
3 to read:

4 23-941.01. Settlement of claims; full and final; exception;  
5 definitions

6 A. The interested parties to a claim may:

7 1. Settle and release all or any part of an accepted claim for  
8 compensation, benefits, penalties or interest.

9 2. If the period of TEMPORARY disability is terminated by ~~the~~  
10 ~~carrier, special fund or self-insured employer~~ A FINAL NOTICE OF CLAIM  
11 STATUS, AWARD OF THE COMMISSION OR STIPULATION OF THE INTERESTED PARTIES,  
12 negotiate a full and final settlement OF AN ACCEPTED CLAIM.

13 B. Any full and final settlement shall:

14 1. Be in writing.

15 2. Be signed by the carrier, special fund or self-insured employer  
16 OR AN AUTHORIZED REPRESENTATIVE OF THE CARRIER, SPECIAL FUND OR  
17 SELF-INSURED EMPLOYER and the employee or the employee's authorized  
18 representative.

19 3. Acknowledge that the employee had the opportunity to seek legal  
20 advice and be represented by counsel.

21 4. Include a description of the employee's medical conditions that  
22 have been identified and contemplated at the time of the settlement  
23 agreement.

24 5. HAVE ATTACHED THE INFORMATION PROVIDED BY THE CARRIER, SPECIAL  
25 FUND OR SELF-INSURED EMPLOYER PURSUANT TO SUBSECTION C, PARAGRAPHS 2 AND 3  
26 OF THIS SECTION.

27 C. ~~If the employee is represented by counsel, the~~ A full and final  
28 settlement shall include the following SIGNED attestations:

29 1. The employee understands the rights settled and released by the  
30 agreement ~~and was represented by counsel~~.

31 2. The employee has been provided information from the carrier,  
32 special fund or self-insured employer that outlines any reasonable  
33 anticipated future medical, surgical and hospital benefits relating to the  
34 claim, ~~and~~ the projected cost of those benefits, ~~and that provides~~ an  
35 explanation of how those projected costs were determined AND A DISCLOSURE  
36 OF THE AMOUNT OF THE SETTLEMENT THAT REPRESENTS THE SETTLEMENT OF FUTURE  
37 MEDICAL, SURGICAL AND HOSPITAL BENEFITS.

38 3. THE EMPLOYEE HAS BEEN PROVIDED INFORMATION FROM THE CARRIER,  
39 SPECIAL FUND OR SELF-INSURED EMPLOYER THAT DISCLOSES THE TOTAL AMOUNT OF  
40 FUTURE INDEMNITY BENEFITS, THE EMPLOYEE'S RATED AGE, IF APPLICABLE, THE  
41 EMPLOYEE'S LIFE EXPECTANCY, THE SOURCE OF THE EMPLOYEE'S LIFE EXPECTANCY,  
42 THE PRESENT VALUE OF FUTURE INDEMNITY BENEFITS, THE DISCOUNT RATE USED TO  
43 CALCULATE PRESENT VALUE AND THE AMOUNT OF THE SETTLEMENT THAT REPRESENTS  
44 THE SETTLEMENT OF FUTURE INDEMNITY BENEFITS.



1       ~~3.~~ 4. The employee understands that monies received for future  
2 medical treatment associated with the industrial injury should be set  
3 aside to ensure that the costs of ~~such~~ THE treatment will be paid.

4       ~~4.~~ 5. The parties have considered and taken reasonable steps to  
5 protect any interests of medicare, medicaid, the Indian health service and  
6 the United States department of veterans affairs, including establishing a  
7 medicare savings account if necessary.

8       ~~5.~~ 6. The parties have conducted a search for and taken reasonable  
9 steps to satisfy any identified medical liens AND UNPAID MEDICAL CHARGES.

10       7. COERCION, DURESS, FRAUD, MISREPRESENTATION OR UNDISCLOSED  
11 ADDITIONAL AGREEMENTS HAVE NOT BEEN USED TO ACHIEVE THE FULL AND FINAL  
12 SETTLEMENT.

13       D. IF AN ADMINISTRATIVE LAW JUDGE OF THE COMMISSION DETERMINES THAT  
14 THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION ARE SATISFIED, THE  
15 ATTESTATIONS OF SUBSECTION C OF THIS SECTION ARE PRESENT AND THE EMPLOYEE  
16 IS REPRESENTED BY COUNSEL, THE ADMINISTRATIVE LAW JUDGE SHALL APPROVE THE  
17 SETTLEMENT.

18       ~~D.~~ E. If the employee is not represented by counsel, the employee  
19 shall appear before an administrative law judge OF THE COMMISSION and the  
20 administrative law judge shall make specific factual findings regarding  
21 whether the requirements of ~~subsection~~ SUBSECTIONS B and C ~~subsection C,~~  
22 ~~paragraphs 2, 3, 4 and 5 of this section are satisfied. The~~  
23 ~~administrative law judge may not approve the settlement if the~~  
24 ~~requirements of subsection B of this section are not met or if the~~  
25 ~~settlement is not deemed fair and reasonable to the employee.~~ THE  
26 ADMINISTRATIVE LAW JUDGE SHALL CONDUCT A HEARING AND PERFORM A DETAILED  
27 INQUIRY INTO THE ATTESTATIONS PROVIDED BY THE UNREPRESENTED EMPLOYEE  
28 PURSUANT TO SUBSECTION C OF THIS SECTION. THE INQUIRY SHALL INCLUDE  
29 WHETHER THE UNREPRESENTED EMPLOYEE UNDERSTANDS THE SPECIFIC RIGHTS BEING  
30 SETTLED AND RELEASED, THE INFORMATION, COMPUTATION AND METHODOLOGY  
31 PROVIDED BY THE CARRIER, SPECIAL FUND OR SELF-INSURED EMPLOYER, AND THE  
32 EMPLOYEE'S RESPONSIBILITY TO PROTECT THE INTERESTS OF OTHER PAYORS AND  
33 ENSURE THE PAYMENT OF FUTURE TREATMENT COSTS.

34       ~~E. A full and final settlement is not valid and enforceable unless~~  
35 ~~the full and final settlement is approved by the commission. When~~  
36 ~~determining whether to approve a settlement, the commission shall consider~~  
37 ~~whether the settlement is in the best interests of the employee based on~~  
38 ~~the following criteria:~~

39       ~~1. Whether the employee's injuries are stabilized.~~

40       ~~2. The permanency of the employee's injuries.~~

41       F. THE COMMISSION MAY NOT APPROVE A FULL AND FINAL SETTLEMENT IF  
42 THE REQUIREMENTS OF SUBSECTIONS B AND C OF THIS SECTION ARE NOT MET.

43       ~~F.~~ G. A ~~lump sum~~ FULL AND FINAL settlement payment shall be made  
44 to the employee within fifteen days after the award approving the  
45 settlement becomes final.

1       ~~G.~~ H. The carrier, special fund or self-insured employer shall  
2 notify the attending physician of the approval of a full and final  
3 settlement if the full and final settlement terminates the employee's  
4 entitlement to medical benefits. Unless medical benefits rendered before  
5 the approval date of the full and final settlement are subject to a  
6 dispute or payment for the treatment was included in the full and final  
7 settlement agreement, the carrier, special fund or self-insured employer  
8 remains responsible for payment for the treatment not covered by the full  
9 and final settlement agreement as provided by this chapter.

10       ~~H.~~ I. Notwithstanding subsection A of this section, a full and  
11 final settlement may not be negotiated to settle issues resulting in total  
12 and permanent disability pursuant to section 23-1045, subsections C and D.

13       ~~I.~~ J. A full and final settlement agreement may not include the  
14 settlement of claims unrelated to the claim for compensation, benefits,  
15 penalties and interest.

16       ~~J.~~ K. This section does not apply to the settlement of claims that  
17 have been denied.

18       ~~K.~~ L. For the purposes of this section:

19       1. "Full and final settlement" means a settlement in which the  
20 injured employee or, if the injured employee is deceased, the employee's  
21 estate, surviving spouse or dependent waives any future entitlement to  
22 benefits on the claim and any future right to change the claim pursuant to  
23 section 23-1044, subsection F or reopen the claim pursuant to section  
24 23-1061, subsection H.

25       2. "Special fund" means the special fund established by section  
26 23-1065.

27       Sec. 2. Title 23, chapter 6, article 3, Arizona Revised Statutes,  
28 is amended by adding section 23-941.03, to read:

29       23-941.03. Settlement of claims; supportive medical  
30 maintenance benefits; definition

31       A. ANY FINAL SETTLEMENT AGREEMENT INVOLVING UNDISPUTED ENTITLEMENT  
32 TO SUPPORTIVE MEDICAL MAINTENANCE BENEFITS IS NOT VALID AND ENFORCEABLE  
33 UNTIL THE FINAL SETTLEMENT AGREEMENT IS APPROVED BY THE COMMISSION.

34       B. THE COMMISSION MAY APPROVE A FINAL SETTLEMENT AGREEMENT  
35 INVOLVING UNDISPUTED ENTITLEMENT TO SUPPORTIVE MEDICAL MAINTENANCE  
36 BENEFITS IF THE REQUIREMENTS OF THIS SECTION ARE SATISFIED.

37       C. SUBJECT TO THE FOLLOWING REQUIREMENTS, THE INTERESTED PARTIES TO  
38 A CLAIM MAY ENTER INTO A FINAL SETTLEMENT AND RELEASE OF A CLAIM FOR  
39 UNDISPUTED ENTITLEMENT TO SUPPORTIVE MEDICAL MAINTENANCE BENEFITS AFTER  
40 THE PERIOD OF TEMPORARY DISABILITY IS TERMINATED BY A FINAL NOTICE OF  
41 CLAIM STATUS OR AWARD OF THE COMMISSION. THE CARRIER, SPECIAL FUND OR  
42 SELF-INSURED EMPLOYER SHALL SUBMIT A SUMMARY OF ALL REASONABLY ANTICIPATED  
43 FUTURE SUPPORTIVE MEDICAL MAINTENANCE BENEFITS AND THE PROJECTED COST OF  
44 THE BENEFITS FOR REVIEW BY THE EMPLOYEE. THE SUMMARY SHALL ALSO BE  
45 INCLUDED WITH THE FINAL SETTLEMENT AGREEMENT FILED WITH THE

1 COMMISSION. ALL MEDICAL CONDITIONS SUBJECT TO THE FINAL SETTLEMENT  
2 AGREEMENT MUST BE DESCRIBED IN THE FINAL SETTLEMENT AGREEMENT. THE FINAL  
3 SETTLEMENT PROVISIONS DEFINED IN THIS SUBSECTION SHALL APPLY ONLY TO  
4 FUTURE SUPPORTIVE MEDICAL MAINTENANCE BENEFITS FOR THE DESCRIBED  
5 CONDITION.

6 D. THE CARRIER, SPECIAL FUND OR SELF-INSURED EMPLOYER SHALL INFORM  
7 THE ATTENDING PHYSICIAN OF THE APPROVAL OF A FINAL SETTLEMENT AGREEMENT.  
8 UNLESS SUPPORTIVE MEDICAL MAINTENANCE BENEFITS RENDERED BEFORE THE DATE OF  
9 THE FINAL SETTLEMENT ARE SUBJECT TO A DISPUTE OR PAYMENT FOR THE TREATMENT  
10 WAS INCLUDED IN THE FINAL SETTLEMENT AGREEMENT, THE CARRIER, SPECIAL FUND  
11 OR SELF-INSURED EMPLOYER SHALL REMAIN RESPONSIBLE FOR PAYMENT FOR THE  
12 TREATMENT NOT COVERED BY THE FINAL SETTLEMENT AGREEMENT AS PROVIDED BY  
13 THIS CHAPTER.

14 E. THIS SECTION DOES NOT PROHIBIT A SETTLEMENT THAT DOES NOT  
15 CONSTITUTE A FINAL SETTLEMENT.

16 F. FOR THE PURPOSES OF THIS SECTION, "FINAL SETTLEMENT" MEANS A  
17 SETTLEMENT IN WHICH THE INJURED WORKER WAIVES ANY FUTURE ENTITLEMENT TO  
18 SUPPORTIVE MEDICAL MAINTENANCE BENEFITS FOR KNOWN CONDITIONS DESCRIBED IN  
19 THE AGREEMENT.

**APPROVED BY THE GOVERNOR APRIL 12, 2018**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 13, 2018**



Passed the House April 4, 20 18,

Passed the Senate February 20, 20 18,

by the following vote: 43 Ayes,

by the following vote: 30 Ayes,

16 Nays, 1 Not Voting

0 Nays, 0 Not Voting

[Signature]  
Speaker of the House

[Signature]  
President of the Senate

[Signature]  
Chief Clerk of the House

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

           day of           , 20           ,

at            o'clock            M.

            
Secretary to the Governor

Approved this            day of

          , 20           ,

at            o'clock            M.

            
Governor of Arizona

S.B. 1100

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this            day of           , 20           ,

at            o'clock            M.

            
Secretary of State



SENATE CONCURS IN HOUSE  
AMENDMENTS AND FINAL PASSAGE

Passed the Senate April 9, 20 18

by the following vote: 19 Ayes,

9 Nays, 2 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

9<sup>th</sup> day of April, 20 18

at 5:00 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 12<sup>th</sup> day of

April 2018

at 4:47 o'clock P. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 13 day of April, 20 18

at 4:50 o'clock P. M.

[Signature]  
Secretary of State